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## MINUTE OF HES BOARD MEETING HELD ON 26 MAY 2022

### LONGMORE HOUSE, EDINBURGH

#### Present:

Hugh Hall  
Ian Brennan  
Andrew Davis  
Emma Herd  
Terry Levinthal  
Ian Robertson  
Fiona McLean  
Paul Stollard

#### In attendance:

Alex Paterson, Chief Executive  
Stephen Duncan, Director of Marketing and Engagement  
Gary Love, Projects Director  
Elly McCrone, Director of Heritage  
David Mitchell, Director of Cultural Assets  
Lindsey Ross, Director of People  
Donella Steel, Director of Finance and Corporate Services  
Alison Turnbull, Director of External Relations and Partnership  
Suzanne Casey, Head of the Chief Executive's Office  
Jules Davidson-Welch, Business Manager

#### Introduction, Apologies, and Minute of the Last Meeting

1. The Chair welcomed everyone to the meeting. Apologies were noted from Jane Williamson, Janet Brennan and Craig Mearns, Director of Operations.
2. The Minutes of the 17 February and 21 April Board meetings were approved.

#### Matters Arising

3. The Chair offered his reflections on the Board strategy session held in April, noting the importance of making progress on the PIC Strategy, which will underpin much of the other work that HES does. Priority should also be given to finalising the Regulatory Framework which will come to the Board in due course. The Chief Executive provided an update on these matters.
4. The Chair put forward the suggestion of setting up an additional committee covering heritage assets. The Board indicated their support for this and the Chair and Chief Executive will develop the proposal.

**ACTION:** Chair, Chief Executive

5. The Chief Executive updated the Board on a number of items logged on the Action Tracker, including:
- The Strategic Plan for Holyrood Park is under development and is due to be considered by the Board in October.
  - The Orkney Gateway project has entered a phase of stakeholder reengagement, which will impact timescales. The Board will be kept up to date with progress via the Action Tracker.
  - The Board agreed that the action on the High Level Masonry Programme could be closed in favour of a standing item to update the Board at each meeting for the foreseeable future.

### **Chief Executive's Report**

6. The Chief Executive outlined a number of highlights from his report, including:
- Following approval by the Board and subsequently by the Minister for Culture, Europe and International Development, the new HES Corporate Plan had been published. The Annual Operating Plan for 2022/23 had also been published.
  - The business cases for Dallas Dhu and Heritage Hub projects have both been approved by Scottish Government and are being progressed.
  - There has been a strong start to the financial year in terms of income and visitor levels. This is reflective of a wider trend of rising tourism numbers across Scotland.
  - The new Minister for Culture, Europe and International Development has continued his engagement with HES and has visited a number of HES sites.
  - The Covid Response Group has now stood down due to the improving situation. The Chief Executive thanked Gary Love and others involved in the group.
  - The Reshaping Group is also winding up, with the HES restructuring now drawing to completion.
  - While HES enjoys an excellent relationship with Trade Unions, challenging conversations continue regarding Pay Policy, in line with the situation felt across the public sector.
  - The Head of Internal Audit is departing HES to take up a new opportunity, leaving a positive legacy within the organisation. A good candidate has been appointed to succeed him.
  - The Board discussed the unsuccessful prosecution of damage to Baldovie Stone Circle, Angus. A lessons learned exercise is under way to determine the reasons for the judgement in this case and its implications for future cases.
  - Members noted the consultation on listing Cumbernauld town centre, noting that it is useful to know about high-profile cases in advance.
  - The Lichfield's report on the Inventory of Historic Battlefields will be shared with the Board in its final form.
  - The Board noted that they would find a list of live strategies helpful. A list will be provided in due course.
- ACTION:** Board Secretariat
- Craig Mearns will be invited to give an update to a future Board meeting to reflect upon the new Operations Directions after its first six months.

**ACTION:** Board Secretariat/Craig Mearns

## Finance Statement

7. Donella Steel, Director of Finance and Corporate Services, presented the draft financial outturn position to 31 March 2022. This shows a modest overall surplus. The position is being discussed with Scottish Government with a view to carrying the surplus forward in some form. The outturn is subject to audit and finalising the accounts.
8. The Board noted the anticipated publication of a four-year resource spending review, which is hoped will give HES a longer-term view of the spending landscape. The Board will be provided with a summary and initial analysis when the review is published.
9. Emma Herd, in her capacity of Chair of the Finance Committee, thanked Donella for the Statement and confirmed that she had no concerns to raise.

## Corporate Performance Report

10. The Chief Executive gave an overview of the final Corporate Performance of the 2021/22 year. Of the 46 AOP indicators contained within the previous Annual Operating Plan a combined total of 93% were Achieved or Partially Achieved. Members commended the outcome, which represents a significant achievement under the challenging circumstances.

## Archive House

*Fiona McLean made a declaration of possible interest prior to the discussion of this item, due to her membership of the Heritage Fund's Scotland Committee. This also applies to the later item on Mavisbank.*

11. Gary Love, Director of Projects, provided the Board with an update on the Archive Project.
12. Since the last Board discussion, RIBA Stage 1 has been completed, and the project is moving into Stage 2. Key achievements include progress with five workstreams and appointment of Gleeds as lead consultants.
13. The Board discussed the update, asking that consideration be given to tightening the timescale allocation given to some of the project stages.
14. Gary clarified that the public access to the archive envisaged for Longmore House is still paused. Options will be explored for continued use of John Sinclair House for public access to archive materials rather than commit spend at Longmore House in the short term.
15. Members discussed the draft budgetary position, which is above the costings listed in the Business Case, due to enhanced measures to support Net Zero, and anticipated cost inflation pressures. While the impact of current economic conditions is difficult to accurately predict, it may be prudent to assume a higher percentage impact. There is also potential for funding to offset the additional Net Zero measures.

16. The Board will be kept updated via the Finance Committee, and also through updates at appropriate milestones.

### **High Level Inspection Programme**

17. David Mitchell, Director of Cultural Assets, updated the Board.
18. Three inspection teams have been set up, led by the newly recruited National Delivery Lead and the inspection programme has started. A process for post-inspection decision making and repairs has also been established.
19. The Board welcomed the update, noting that this phase of the programme sees an added level of challenge in presenting communications. Based on the approach being taken, the learning involved and the relevance of the issue to wider audiences, the Board encouraged consideration of greater awareness of the Programme including the technical aspects of it. It was also agreed that the Peer Review process previously used in 2020 would be re-established in late summer.

**ACTION:** Chief Executive/  
David Mitchell/Stephen Duncan

### **HESe Governance Review**

20. Ian Robertson as chair of HESe, presented the recent HESe governance review, which considered three potential options for the future and recommended an 'enterprise board' model as the preferred option.
21. The Board indicated their agreement with this option, the detail to be developed and brought to a future Board meeting for formal approval.

**ACTION:** Chair, HESe Chair,  
Chief Executive

### **Mavisbank Briefing**

22. Alison Turnbull, Director of External Relations and Partnerships, updated the Board on Mavisbank and gave an overview of ongoing interest in and discussions on Mavisbank since the unsuccessful NLHF proposal in 2021. She also presented options and recommendation for HES future involvement and asked the Board to agree a position on this to enable communications with stakeholders.
23. The Board held a discussion of the presented options, weighing the level of resources and energy what would be required for any expanded proactive approach beyond the resources currently expended on maintaining the Policies as a PIC, and fit with HES' wider priorities.
24. A range of views were expressed by the Board on the potential and challenges that the Mavisbank policies and house present and the appropriate approach going forward.
25. The Board concluded that HES should focus on the Mavisbank Policies, which is the PIC and not devote time or resources to a wider project. In the interests of providing

clarity for staff and stakeholders, a note summarising HES' approach will to be circulated to the Board for agreement.

**ACTION:** Alison Turnbull

### **Committee Updates**

26. Fiona McLean, as Chair of the Staff Governance Committee, commended the minute of the 07 February meeting for the Board's review. She highlighted the achievement of completion of the reshaping project, noting the extensive work involved.
27. Ian Robertson, Chair of the HESe Board, presented the minute of 16 February meeting and gave an update of the 25 May meeting. He highlighted the achievement of progressing the Dallas Dhu business case to the point of Scottish Government approval. The HESe Board are monitoring closely commercial performance and the position of the HESe loan.
28. Ian Brennan, Chair of the Audit, Risk and Assurance Committee, put forward the minute of 26 January meeting. He particularly highlighted the report on Information Governance from Azets, which had helpfully flagged some matters that are well understood and work is underway to resolve. Ian noted that there had been some discussion around the importance of ensuring implementation of audit recommendations, emphasising the importance of setting realistic timescales.

### **Health and Safety Annual Report**

29. Lindsey Ross, Director of People, presented the annual report for Board review, noting that no enforcement notices had been received, and a slight year-on-year increase in RIDDOR incidents due to a small number of Covid-related instances.
30. Board members commended the report, praising the good culture of Health and Safety in place across the organisation.

### **Scheme of Internal Delegation Update**

31. The Chief Executive invited the Board to approve minor amendments to the Scheme of Internal Delegation, which had been made to reflect the reshaping of the organisation, changes in responsibilities and to address some omissions in the 2021 version. The Board approved the changes.
32. Terry Levinthal, referring to a recent Scheduled Monument Consent, proposed a temporary measure that all SMCs relating to PICs should be brought to the Board for oversight of process, pending the final Regulatory Framework. Noting the high number of these cases processed each year, and the mandatory timescales involved, the proposal was not approved by the Board, however the Chair noted that the Board should be sighted on novel and contentious issues.
33. The Board will be provided with a briefing note on the position around the Radical Road.

**ACTION:** David Mitchell/Elly McCrone

## **New Code of Conduct**

34. The Board noted the new revised Model Code of Conduct for Members of Devolved Public Bodies, which was approved by the Scottish Parliament in October 2021 and Standards Commission Scotland now require HES to put in place. This supersedes the prior Code, in place since HES' formation in 2015. The Board confirmed their approval for the draft HES code to be submitted to Scottish Government.